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February 21, 2000

100 FEB 23 11 11 25

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

**RECEIVED**  
TN REG. AUTHORITY

FEB 23 2000

ENERGY & WATER DIVISION

Re: Docket No. 99-00994

Dear Mr. Waddell:

I am enclosing for filing six copies of the following responses to the Staff's Data Requests dated January 21, 2000: 28, 31, and 32.

Responses to the Staff's Data Request 23 will be provided soon.

Sincerely,

*Jerry W. Amos*  
Jerry W. Amos *by BRM*

JWA:lh  
Encl.

**POSTED**  
2-24-00

NASHVILLE GAS COMPANY  
DOCKET NO. 99-00994  
TENNESSEE REGULATORY AUTHORITY  
STAFF DATA REQUEST # 1'00 FEB 23 AM 11 25

28. Provide a schedule showing by employee the number of trips made from/to Nashville and Charlotte for the 12 months ended August 31, 1999. Also show the date, cost of each trip and the nature of each trip.

POSTED  
2-24-00

<u>Employee</u>	<u>Dates</u>	<u>Amount</u>	<u>Nature of Trip</u>
<b>John Maxheim</b>	9/8/98-9/10/98	\$ 867	Tennessee Gas Association Meeting
	3/10/99-3/11/99	\$ 630	Tennessee Gas Association Meeting
	6/3/99-6/4/99	\$ -	Piedmont Board of Directors Meeting
	8/11/99-8/14/99	\$ 718	NGC Employee Meeting
<b>Ware Schiefer</b>	6/3/99-6/4/99	\$ -	Piedmont Board of Directors Meeting
<b>Tom Skains</b>	10/21/98-10/22/98	\$ 710	Meetings with TRA Staff and CA
	6/3/99-6/4/99	\$ 583	Piedmont Board of Directors Meeting
	6/21/99-6/22/99	\$ 978	Meetings with TRA Staff and CA
<b>David Dzuricky</b>	6/3/99-6/4/99	\$ 297	Piedmont Board of Directors Meeting
<b>Ray Killough</b>	08/16/1998	\$ 671	Management/Labor Union Arbitration
	12/09/1965	\$ 865	NGC Employee Meeting
	06/03/1999	\$ 734	Piedmont Board of Directors Meeting
	07/20/1999	\$ 732	Union Negotiations
<b>Don Harrow</b>	9/8/98-9/10/98	\$ 1,307	NGC Employee Meeting
	10/21/98-10/22/98	\$ 940	Tennessee Energy Forum
	12/2/98-12/3/98	\$ 1,155	Meeting with Governmental and Community Affairs Consultant
	1/11/99-1/12/99	\$ 918	Start of Legislative Session
	3/10/99-3/11/99	\$ 1,102	Tennessee Gas Association Meeting
	3/24/99-3/25/99	\$ 972	Meeting with Legislators
	4/14/99-4/15/99	\$ 923	Meeting with Legislators
	4/26/99-4/27/99	\$ 1,066	Meeting with Legislators
<b>Marty Ruegsegger</b>	6/3/99-6/4/99	\$ 351	Piedmont Board of Directors Meeting
<b>Chuck Fleenor</b>	10/20/98-10/22/98	\$ 1,139	Tennessee Energy Forum/Meetings with TRA Staff/CA
	4/14/99-4/15/99	\$ 1,016	Meeting with TRA Staff
	7/15/99-7/16/99	\$ 915	Meeting with CA
<b>Richard Linville</b>	08/19/1998	\$ 683	Management/Labor Union Arbitration
	10/09/1998	\$ 684	Labor Union Grievance
	10/30/1998	\$ 685	Management/Labor Union Arbitration
	11/02/1998	\$ 698	Management/Labor Union Arbitration
	01/26/1999	\$ 711	Labor Union Grievance
	06/23/1999	\$ 712	Labor Union Grievance
	07/12/1999	\$ 729	Prepare for Union Negotiations
	07/20/1999	\$ 739	Union Negotiations
	07/28/1999	\$ 718	Labor Union Grievance
<b>Ted Coble</b>	4/9/99-4/10/99	\$ 819	NAIC Investor Fair
<b>Ranelle Warfield</b>	3/11/99-3/12/99	\$ 1,226	Meetings with residential sales force
	04/23/1999	\$ 709	NGC Employee Meeting
<b>David Trusty</b>	10/08/1998	\$ 673	Presentation on Marketing/Sales Goals & Objectives
	04/23/1999	\$ 705	Presentation of Corp. Marketing & Sales Plans
	07/13/1999	\$ 717	Sales Compensation Meeting

<u>Employee</u>	<u>Dates</u>	<u>Amount</u>	<u>Nature of Trip</u>
<b>Bill Morris</b>	10/20/98-10/22/98	\$ 1,139	Tennessee Energy Forum/Meetings with TRA Staff/CA
	03/24/1999	\$ 744	Meeting with Consultant
	4/5/99-4/6/99	\$ 949	TRA Conference
	4/14/99-4/15/99	\$ 1,015	Meeting with TRA Staff
	6/21/99-6/22/99	\$ 1,090	Meetings with TRA Staff and CA
	7/12/99-7/13/99	\$ 888	TRA Conference
	7/15/99-7/16/99	\$ 629	Meeting with CA
	8/23/99-8/24/99	\$ 773	TRA Conference
<b>Virginia Parker</b>	10/30/1998	\$ 685	Arbitration
	11/02/1998	\$ 697	Arbitration
	06/23/1999	\$ 705	Labor Union Grievance
	07/12/1999	\$ 729	Prepare for Union Negotiations
	07/20/1999	\$ 739	Union Negotiations
<b>Headen Thomas</b>	4/9/99-4/10/99	\$ 2,359	NAIC Investor Fair
	04/21/1999	\$ 717	AGA Financial Analyst Presentation
<b>Ken Valentine</b>	10/21/99-10/22/99	\$ 830	Tennessee Energy Forum/Meetings with TRA Staff/CA
<b>Keith Maust</b>	08/05/1999	\$ 741	Tennessee Supply Meeting
<b>Bill Kearney</b>	10/08/1998	\$ 673	Presentation on Marketing/Sales Goals & Objectives
<b>George Wallace</b>	2/10/99-2/11/99	\$ 156	LNG inspection and shooting tank foundations
	06/18/1999	\$ 730	LNG inspection and performance evaluation
<b>Teresa VonCannon</b>	10/3/98-10/6/98	\$ 873	RF Meter Reading Training
	3/8/99-3/11/99	\$ 1,148	Follow up RF and DCMS Training
<b>Alan Higgins</b>	8/24/98-8/28/98	\$ 656	Correct gas measurement problem at KP station
<b>George Duckwall</b>	03/03/1999	\$ 1,010	System strengthening and Stoner
	07/15/1966	\$ 477	GIS Land Base Conversion
<b>Ken Jones</b>	07/15/1966	\$ 477	GIS Land Base Conversion
<b>Ric Dilahunt</b>	07/15/1966	\$ 477	GIS Land Base Conversion
<b>Chuck Gordon</b>	11/27/98-12/1/98	\$ 1,114	MMS Upgrade
<b>Patti Oswald</b>	11/27/98-12/1/98	\$ 1,114	MMS Upgrade
<b>Judy Thurbon</b>	11/27/98-12/1/98	\$ 1,114	MMS Upgrade
<b>Joe Pennacchia</b>	12/2/98-12/3/98	\$ 950	Meeting with Consultant
	03/10/1999	\$ 699	Tennessee Business Assoc. Annual Meeting
<b>Robert Mohler</b>	8/24/99-8/25/99	\$ 1,702	Safety and Risk Management Meeting with NGC Personnel
<b>Minh Tran</b>	11/30/98-12/2/98	\$ 1,198	Large Volume Customer Meeting/Employee Meeting
<b>Greg Johnson</b>	04/19/1999	\$ 717	Natural Gas Vehicles Meeting

<u>Employee</u>	<u>Dates</u>	<u>Amount</u>	<u>Nature of Trip</u>
David Hollifield	11/30/98-12/1/98	\$ 900	Large Volume Customer Meeting
Phil Williams	11/30/98-12/1/98	\$ 693	Large Volume Customer Meeting
Kim Swint	04/27/1999	\$ 806	Industrial Services Meeting and Marketing Meeting (Charlotte)
Tom Stroozas	1/26/99-1/28/99	\$ 1,048	Food service meetings w/ dealers and schools
	4/14/99-4/16/99	\$ 955	Food service meetings w/ dealers, Restaurant Assoc., Opryland
	7/6/99-7/8/99	\$ 705	Photo Shoot at Opryland Hotel- Cooking for Profit Campaign
Terry Williams	6/22/99-6/25/99	\$ 472	Meetings with Customer Conversion Representatives
Brenda Blanchard	12/01/1998	\$ 700	Residential Therms Added Program meeting
Jim Lansdowne	02/17/1999	\$ 835	Operator Qualification Meeting
	4/4/99-4/6/99	\$ 380	Distribution Training
	4/13/99-4/14/99	\$ 305	Tennessee Gas Association Conference
	6/14/99-6/17/99	\$ 528	Tennessee Gas Association Conference
	6/21/99-6/25/99	\$ 558	Distribution Training
	8/22/99-8/27/99	\$ 680	Fire School
Terry Greene	2/22/99-2/25/99	\$ 460	Distribution Training
	3/28/99-4/1/99	\$ 430	Distribution Training
Ed Moody	1/10/99-1/14/99	\$ 585	Distribution Training
	2/28/99-3/4/99	\$ 585	Distribution Training
	8/22/99-8/27/99	\$ 625	Fire School
Rick Watson	1/31/99-2/4/99	\$ 585	Distribution Training
	3/14/99-3/18/99	\$ 585	Distribution Training
Gary Howze	2/7/99-2/11/99	\$ 585	Distribution Training
	3/21/99-3/25/99	\$ 585	Distribution Training
	4/18/99-4/22/99	\$ 585	Distribution Training
	8/22/99-8/27/99	\$ 625	Fire School
Jim Todd	1/24/99-1/28/99	\$ 585	Distribution Training
	3/7/99-3/11/99	\$ 585	Distribution Training
	6/1/99-6/3/99	\$ 335	Distribution Training
	7/18/99-7/21/99	\$ 460	Distribution Training
Bobby Barnes	8/22/99-8/27/99	\$ 625	Fire School
Bruce Noblitt	6/1/99-6/3/99	\$ 335	Training
Bill McCarson	4/4/99-4/6/99	\$ 335	Training
		\$ 80,571	

## NASHVILLE GAS - TRAVEL (9/1/98 through 8/31/99)

NAME	DATE	AMOUNT	PURPOSE
JOHN CLARK	09/28/1998	\$898.02	Sales & Mktg. Compensation Study
	10/06/1998	\$873.37	Sales & Mktg. Team Mtg.
	10/12/1998	\$736.60	Sales & Mktg. Team Mtg.
	10/14/1998	\$717.87	Sales & Mktg. Team Mtg.
	10/19/1998	\$716.97	Sales & Mktg. Team Mtg.
	10/22/1998	\$709.87	Sales & Mktg. Team Mtg.
	11/05/1998	\$740.30	Sales Compensation Team Mtg.
	11/19/1998	\$718.68	Sales & Mktg. Team Mtg.
	12/21/1998	\$767.53	Sales & Mktg. Team Mtg.
	01/12/1999	\$724.52	Sales Compensation Team Mtg.
	01/19/1999	\$760.33	Sales Compensation Team Mtg.
	02/04/1999	\$785.27	Sales Compensation Team Mtg.
	02/26/1999	\$773.40	Annual Shareholders Mtg.
	03/17/1999	\$758.23	Sales Compensation Team Mtg.
	03/25/1999	\$715.00	Sales & Mktg. Annual Mtg.
	04/27/1999	\$746.00	Sales Compensation Team Mtg.
	05/09/1999	\$940.67	Sales Compensation Team Mtg.
	06/28/1999	\$759.18	Sales Compensation Team Mtg.
	07/29/1999	\$766.38	Marketing Meeting
LEE GRIMES	02/10/1999	736.00	Y2K Contingency Plans, Operations Update, and Desktop Support Planning
	03/15/1999	901.62	RFI Team for WAN/LAN Services
	03/25/1999	788.85	Desktop Support
	05/11/1999	973.43	RFI Team for WAN/LAN Services
	05/26/1999	1144.37	RFI Team for WAN/LAN Services
CAROL CADY	03/25/1999	715.00	Desktop Support
BUZZ WATTS	12/16/1998	717.00	Service Manual Review Class
	05/05/1999	833.00	Annual Supervisors Meeting
GEORGE HULSEY	05/05/1999	833.00	Annual Supervisors Meeting
THOM WILSON	11/17/1998	956.03	Training Department Meeting
	05/03/1999	948.42	MDX Management Meeting & Training Dept. Meeting

NAME	DATE	AMOUNT	PURPOSE
BOBBY GARNER	10/20/1998	917.24	Qualified Operator Mtg., Operations Managers Mtg.
	02/17/1999	716.00	Operations Managers Meeting
	07/21/1999	767.00	Operations Managers Meeting
DAVID STINSON	07/20/1999	381.50	Main Frame Software Training
CONNIE BRADLEY	07/20/1999	381.50	Main Frame Software Training
JON JAMES	06/23/1999	300.00	Cathodic Protection Meeting
JIM THWEATT	09/14/1998	1043.45	GIS Planning Meeting
	01/20/1999	726.34	Operations Managers Meeting
	03/26/1999	722.00	Professional Development Course Preparation Mtg.
	04/21/1999	726.00	Professional Development Course Preparation Mtg.
	05/24/1999	114.37	Professional Development Course Preparation Mtg.
	07/14/1999	722.00	Operations Managers Meeting
	08/25/1999	720.00	GIS Planning Meeting
	08/30/1999	1303.40	GIS Planning Meeting
GEORGE RALLS	11/09/1998	362.69	Gas Control Coordination
	02/01/1999	1282.62	Gas Control Coordination
DANNY TALLEY	11/03/1998	692.07	Measurement Training
	07/27/1999	418.15	Measurement Training
DAVID BROWN	10/20/1998	215.27	Fire Training
CALVIN CARTER	10/20/1998	223.48	Fire Training
LEON BATCHELOR	10/13/1998	197.08	Fire Training
JOSEPH FREEMAN	10/13/1998	198.35	Fire Training
PATRICK CARTER	10/13/1998	224.63	Fire Training

NAME	DATE	AMOUNT	PURPOSE
TAMMY GARDNER	09/23/1998	715.00	Customer Service
	05/05/1999	671.00	Customer Service
DIANE THOMPSON	09/08/1998	984.40	Marketing Meeting
	04/28/1999	275.98	Marketing Meeting
JOAN JANOWSKI	10/13/1998	699.55	CIM Training
	01/13/1999	734.00	CIM Training
	07/18/1999	858.90	PRF Training, S2K Update
	08/04/1999	773.58	Service Order Update
GARY MOODY	10/27/1998	137.02	Technical Services Mgr. Mtg.
	01/19/1999	221.99	Technical Services Quarterly Mtg.
	05/24/1999	1009.01	Technical Services Quarterly Mtg.
LEONARD HYATT	09/15/1998	1558.85	Professional Operations Training
	01/25/1999	1360.94	Professional Operations Training
	05/25/1999	1251.55	Professional Operations Training
JEANETTA WALSH	11/16/1998	940.84	DCS Training
	12/07/1998	1177.36	DCS Training
	04/13/1999	52.67	DCS Training
DEBBIE JOHNSON	04/13/1999	52.67	DCS Training
CONNIE RAMSEY	04/13/1999	52.67	DCS Training
CAROLE SHOEMAKE	04/15/1999	50.00	DCS Training
KERRY SMITH	04/13/1999	52.67	DCS Training
YOLANDA TUCKER	04/13/1999	52.67	DCS Training



NAME	DATE	AMOUNT	PURPOSE
LAMAR MORGAN	09/25/1998	683.00	Sales Meeting
	10/20/1998	683.00	Sales Meeting
	02/01/1999	709.00	Sales Meeting
	02/19/1999	799.00	Sales Meeting
	04/28/1999	85.57	Sales Compensation Meeting
	04/29/1999	146.64	Corporate Marketing Retreat
	06/09/1999	308.75	Sales Meeting
	07/29/1999	705.00	Sales Meeting
STEVE JARED	02/09/1999	451.48	Commercial Mtg./Ventilation Workshop
	03/14/1999	597.28	SGA Food Service School
	06/01/1999	892.78	Commercial Sales Meeting
RANDALL WOODARD	09/24/1998	591.85	Sales Meeting
	06/09/1999	167.56	Sales Meeting
	07/29/1999	348.00	Sales Meeting
JOHN SATTY	09/25/1998	689.00	Haywood Pay Plan
	04/28/1999	787.00	PNG Marketing Retreat
	06/01/1999	857.00	Commercial Marketing Meeting
PAM THOMAS	02/04/1999	23.08	Sales Meeting
	04/28/1999	785.55	Sales Meeting
	06/08/1999	877.37	Sales Meeting
LYNETTE DIMEOLA	09/08/1998	709.98	Meeting with David Trusty
	04/28/1999	952.65	PNG Marketing Retreat
SANDRA MINTER	09/08/1998	699.88	Meeting with David Trusty
	10/30/1998	681.00	Meeting with David Trusty re: Marketing Plan
	04/28/1999	789.43	Sales & Marketing Mtg.
WILLIS GRAY	12/09/1998	720.69	Safety Meeting
	02/02/1999	1032.52	PeopleSoft Training & Safety Meeting
	06/01/1999	940.96	Safety Meeting
MARGE MASON	02/05/1999	785.03	PeopleSoft Training

TOTAL

69693.42



NASHVILLE GAS COMPANY  
DOCKET NO. 99-00994  
TENNESSEE REGULATORY AUTHORITY  
STAFF DATA REQUEST # 1

31. Provide the following Federal Income Tax data for Tennessee operations for the 12 months ended December 31, 1997, 1998 and 1999:
- (a) Operating federal income taxes deferred-accelerated depreciation.
  - (b) Federal income taxes-operating.
  - (c) Income credits resulting from prior deferrals of federal income taxes.
  - (d) The amount of Investment Tax Credits realized and the amount amortized split between Pre-1971 and Post-1970.

PIEDMONT NATURAL GAS COMPANY  
 TENNESSEE RATE CASE  
 STAFF DATA REQUEST ITEM 31

PREPARED BY: MMG  
 DATE: 02/02/2000

<u>ITEM NUMBER</u>	<u>DESCRIPTION</u>	<u>12 MONTHS</u> <u>ENDED 12/31/99</u>	<u>12 MONTHS</u> <u>ENDED 12/31/98</u>	<u>12 MONTHS</u> <u>ENDED 12/31/97</u>
31 (A)	Operating Federal Income Taxes Deferred Accelerated Depreciation	Note 1 \$ 1,757,066 \$	1,911,813 \$	1,095,301
31 (B)	Federal Income Taxes - Operating	\$ 5,487,236 \$	4,881,119 \$	5,463,541
31 (C)	Income Tax Credits Resulting From Prior Deferrals of Federal Income Tax	\$ 26,723 \$	32,068 \$	32,068
31 (D)	Amount of Investment Tax Credits Pre - 1971 Amortization Post - 1970 Amortization	\$ - \$ 132,037	7,879 \$ 158,445	7,879 158,445

Note 1: Actual book/tax depreciation difference recorded during 12 months ended 1999, 1998 and 1997



NASHVILLE GAS COMPANY  
DOCKET NO. 99-00994  
TENNESSEE REGULATORY AUTHORITY  
STAFF DATA REQUEST # 1

32. Provide a reconciliation of book to taxable income and calculation of the federal income tax expense on a total company and Tennessee only basis for the 12 months ended December 31, 1997 and 1998.

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**RECONCILIATION OF BOOK TO TAXABLE INCOME**  
**TENNESSEE STAFF RATE CASE DATA REQUEST NUMBER 32**  
**AS OF OCTOBER 31, 1997**

**PREPARED BY:**  
**DATE:**

**MMG**  
**02/02/2000**

	<b><u>TOTAL COMPANY</u></b>	<b><u>TENNESSEE</u></b>
<b>Net income (loss) per books</b>	\$ 52,174,006	\$ 35,587,904
<b>Federal and state income tax (benefit)</b>	33,377,320	14,132,267
<b>Gross earnings from subsidiaries</b>	-	-
<b>Subtotal</b>	<u>\$ 85,551,326</u>	<u>\$ 49,720,171</u>
<b>Income subject to tax not recorded on books</b>		
Customer advances for construction	6,247	6,247
Contributions in aid of construction	110,911	63,743
DSM incentive payments	182	
Leased luxury automobiles	3,219	
Supplier refunds received	11,005,486	
Tax gain in excess of book gain	637,409	
Unbilled revenue	24,731,997	730,151
<b>Subtotal</b>	<u>36,495,451</u>	<u>800,141</u>
<b>Expenses recorded on books not deducted in tax return</b>		
Meals and entertainment	236,117	
Bad debt accrual	24,336	55,190
Capitalized property taxes	481,263	9,660
Worker's compensation - self insured	1,013,188	
Severance plan	1,823,000	
Deferred rate case costs	143,266	(32,074)
Promotional advertising	326,876	326,876
Premium on bond redemption	211,024	
Special fuels credit	4,055	2,946
Deferred compensation	2,458,411	
Deferred cost of gas - Carolinas	6,838,277	636,754
Interest expense	1,330,336	
Lobbying expenses	55,111	
Cardinal Pipeline expenses	311,195	
Uniform capitalization - inventories	(239,108)	(187,925)
Capitalized Line Pack gas	3,718	157
Pension expense - FASB 87 adjustment	(2,646,005)	
Capitalized tax depreciation on transportation equipment	144,475	
Capitalized construction period interest	1,393,331	498,326
Nondeductible spousal travel expenses	4,672	
501 (c 9) costs limited by IRC Section 419 and 419A	774,571	
<b>Subtotal</b>	<u>14,692,109</u>	<u>1,309,910</u>
<b>Income recorded on books not included in tax return</b>		
Revenues - Regulatory/Tax difference	(7,159,510)	
Unbilled revenues previously recognized	(25,233,496)	(7,628,565)
<b>Subtotal</b>	<u>(32,393,006)</u>	
<b>Deductions in tax return not charged against book income</b>		
Excess of tax depreciation over book	(14,570,029)	(3,162,635)
Salvage proceeds	(773,693)	
State gross receipts tax	(127,390)	(127,390)
Deferred expenses	(205,316)	
Accelerated 401 (k) deduction	(3,988,464)	
Supplier refunds obligated to customers	(11,005,486)	

**PIEDMONT NATURAL GAS COMPANY, INC.**  
**RECONCILIATION OF BOOK TO TAXABLE INCOME**  
**TENNESSEE STAFF RATE CASE DATA REQUEST NUMBER 32**  
**AS OF OCTOBER 31, 1997**

**PREPARED BY:**  
**DATE:**

**MMG**  
**02/02/2000**

	<b><u>TOTAL COMPANY</u></b>	<b><u>TENNESSEE</u></b>
Allowance for funds used during construction	(1,418,316)	(62,621)
Property removal expenditures	(490,561)	(17,267)
Appropriation of customer credit balances	80	
Abandonment losses	(104,565)	
FASB 106 Post Retirement Benefits	73,320	31,800
Amortization of computer software	(5,775,230)	
Section 461(h)(3) Property Taxes	360,880	
Environmental reserve	(121,740)	
Duke Power demand charge	(58,483)	
VEBA - Section 481(a)	(1,405,487)	
Duke/PNG MGP environmental liability claims	(5,250,000)	
ESPP - disqualifying distributions	(373)	
State income taxes per tax returns	(4,146,111)	
Subtotal	<b><u>(49,006,964)</u></b>	<b><u>(3,338,113)</u></b>
<b>TOTAL TAXABLE INCOME</b>	<b><u>55,338,916</u></b>	<b><u>48,492,109</u></b>

Note: Reconciliation of book to taxable income is available only at October 31, 1998. This schedule is not available at the point in time for fiscal year 1999 because the tax return has not been completed.



PIEDMONT NATURAL GAS COMPANY, INC.  
RECONCILIATION OF BOOK TO TAXABLE INCOME  
TENNESSEE STAFF RATE CASE DATA REQUEST NUMBER 32  
AS OF OCTOBER 31, 1998

PREPARED BY:  
DATE:

MMG  
01/27/2000

	<u>TOTAL COMPANY</u>	<u>TENNESSEE</u>
Net income (loss) per books	\$ 60,313,474	\$ 37,335,863
Federal and state income tax (benefit)	39,051,133	14,715,929
Gross earnings from subsidiaries	(243,970)	
Subtotal	<u>\$ 99,120,637</u>	<u>\$ 52,051,792</u>
Income subject to tax not recorded on books		
Customer advances for construction	3,948	3,948
Contributions in aid of construction	124,754	3,316
DSM incentive payments	(711,243)	
Leased luxury automobiles	4,820	3,822
Tax gain in excess of book gain	27,644	
Unbilled revenue	19,267,815	7,628,565
Subtotal	<u>18,717,738</u>	<u>7,639,651</u>
Expenses recorded on books not deducted in tax return		
Meals and entertainment	200,709	18,250
Bad debt accrual	251,036	592,052
Capitalized property taxes	528,478	117,193
Worker's compensation - self insured	560,600	
Severance plan	(1,483,942)	
Deferred rate case costs	157,234	
Premium on bond redemption	149,909	
Special fuels credit	11,276	
Deferred compensation	1,307,572	
Deferred cost of gas - Carolinas	193,875	
Deferred cost of gas - Tennessee	(501,260)	(501,260)
Interest expense	1,537,535	
Lobbying expenses	72,720	
Cardinal Pipeline expenses	309,826	
Uniform capitalization - inventories	(174,844)	(276,778)
Capitalized Line Pack gas	2,491	202
Pension expense - FASB 87 adjustment	1,326,359	
Capitalized tax depreciation on transportation equipment	73,255	
Capitalized construction period interest	1,511,285	408,700
Non deductible spousal travel expenses	8,156	
501 (c 9) costs limited by IRC Section 419 and 419A	(1,198,800)	
Gross earnings from subsidiaries	656,030	
Subtotal	<u>5,499,500</u>	<u>358,359</u>
Income recorded on books not included in tax return		
Revenues - Regulatory/Tax difference	(155,012)	
Unbilled revenues previously recognized	(24,731,997)	
Palmetto Seed Capital Fund Partnership income	(37,609)	
Subtotal	<u>(24,924,618)</u>	
Deductions in tax return not charged against book income		
Excess of tax depreciation over book	(14,002,435)	(2,906,643)
Salvage proceeds	398,465	
State gross receipts tax	140,712	140,712
Deferred expenses	(601,051)	(601,051)

PIEDMONT NATURAL GAS COMPANY, INC.  
 RECONCILIATION OF BOOK TO TAXABLE INCOME  
 TENNESSEE STAFF RATE CASE DATA REQUEST NUMBER 32  
 AS OF OCTOBER 31, 1998

PREPARED BY:  
 DATE:

MMG  
 01/27/2000

	<u>TOTAL COMPANY</u>	<u>TENNESSEE</u>
Accelerated 401 (k) deduction	(785,703)	
Clean fuel vehicles and refueling properties	(52,000)	
Allowance for funds used during construction	(2,611,499)	(103,854)
Property removal expenditures	(408,766)	(5,664)
FASB 106 Post Retirement Benefits	73,320	31,800
Amortization of computer software	(14,694)	
Section 461(h)(3) Property Taxes	567,564	293,343
ESPP - disqualifying distributions	(588)	
State income taxes per tax returns	(5,472,526)	
Environmental reserve	(121,224)	
Subtotal	<u>(22,890,425)</u>	<u>(3,151,357)</u>
<b>TOTAL TAXABLE INCOME</b>	<u><b>75,522,832</b></u>	<u><b>56,898,445</b></u>

Note: Reconciliation of book to taxable income is available only at October 31, 1998. This schedule is not available at the point in time for fiscal year 1999 because the tax return has not been completed.